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# KGB Spying in Bay Area

## Private Phone Calls Monitored

By William Moore

Viewed from the outside, the seven-story brick building that houses the Soviet consulate here is the very picture of detente. It looks as peaceful and lofty as its surrounding Pacific Heights neighborhood.

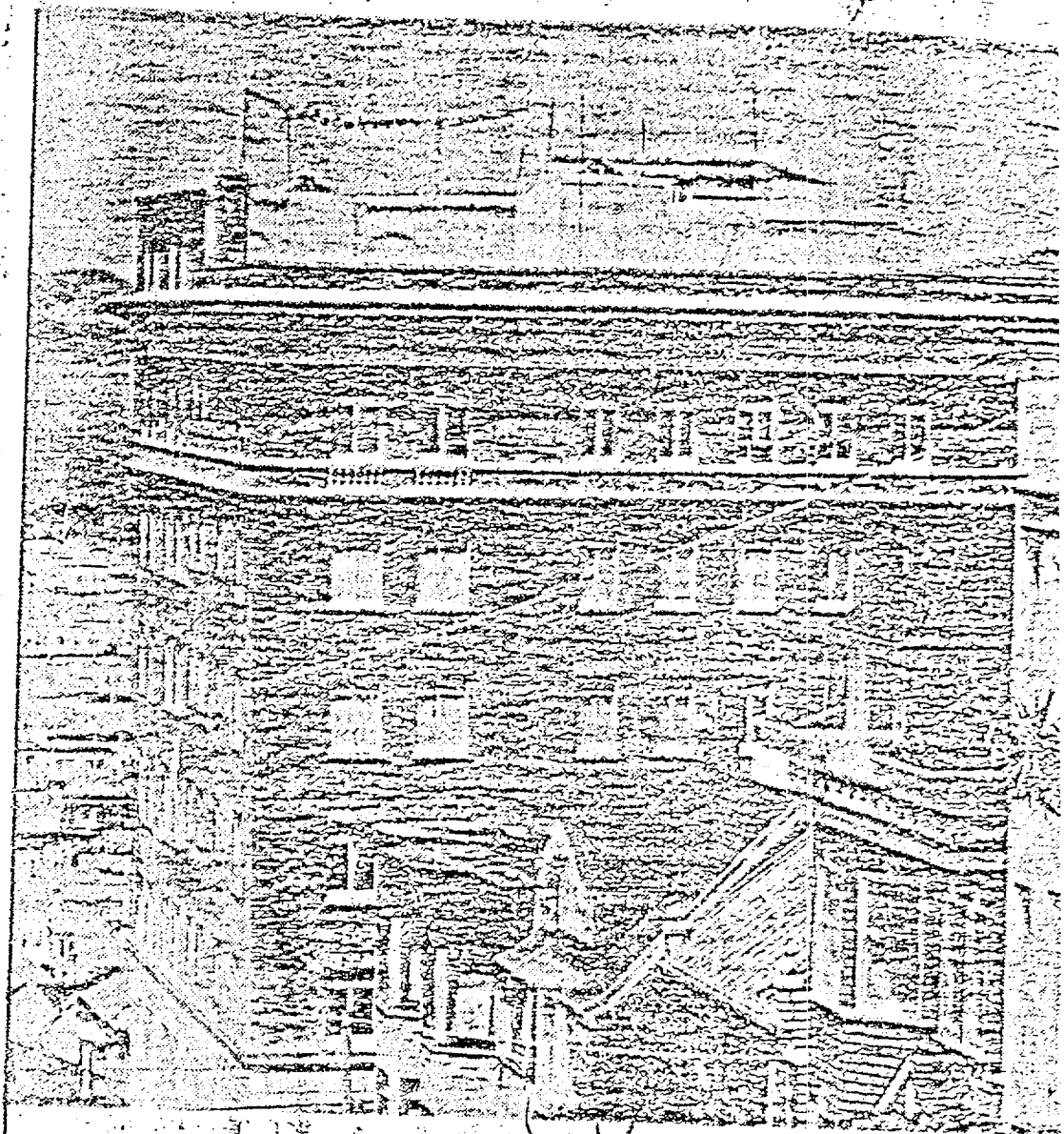
But in this unlikely setting, the only Soviet consulate in the country outside of Washington has become a major base for espionage activity that U.S. counterintelligence authorities report has escalated precipitously in the past few years.

Somewhere between 14 and 27 of the consulate's 42 employees are now believed by American officials to be agents of the KGB, the world's largest intelligence outfit.

Among their activities, they are using electronic monitoring devices to eavesdrop on thousands of long-distance telephone calls made by private citizens in the Bay area, knowledgeable sources in Congress and the Carter administration have told The Chronicle.

The interception and recording of phone calls relayed by microwave — which constitute the bulk of U.S. long-distance traffic — reportedly are also being conducted at the Soviet embassy in Washington and a field office in New York.

"We discovered several years ago that they had this capability, but we did not fully realize the magnitude of what was going on at some time," said a White House official who, like many other U.S. government sources interviewed, requested anonymity.



The Russian Consulate on Green and Baker streets in San Francisco

By Vincent

It also appears that U.S. electronics intelligence experts monitoring the Russians can themselves conduct massive eavesdropping on private American citizens at the same time.

"The National Security Agency is monitoring what the Russians are hearing," said a Congressional

source with ties to the Senate Intelligence Committee. "Apparently the NSA has a way of piggybacking. They know what is being received by the Russian machines, and they can record it."

Asked to confirm or deny this, a White House official responded only "no comment."

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"It's really scary to me that NSA has this eavesdropping capability on our own citizens," said a former staff counsel to the Senate Foreign Relations Committee. "And it's all perfectly legal because they are supposed to be monitoring Soviet signals, including those with American voices."

Since each microwave telephone transmission includes the phone number being dialed by the caller, tapes of the communications can be fed into a computer that can key into any phone number of interest and record it.

Computers can even sort swiftly through the conversational material and key in on designated words of interest. That technology is already in use by both the Soviet Union and the U.S.

In the Bay Area the prime target of the KGB's conventional and microwave spying are the international oil companies, the city's science meetings, and the computer and electronics industries and research complexes on the Peninsula.

"With their microwave phone eavesdropping, it is almost as if the Soviets are casting out a great net to absorb all that is within range of interception," says John Barron, a former U.S. military intelligence officer who maintains many reporter contacts with the American counterintelligence community.

A rapidly growing number of U.S. phone communications are sent by microwaves, which are ultra high-frequency radio signals that can carry many hundreds of conversations simultaneously.

A spokesman for Pacific Telephone here said at least half of the long distance calls in the Bay Area are now transmitted by microwave.

As White House and Congressional communications experts explained it, microwave traffic is being intercepted by the Russians with a parabolic antenna. No such devices are visible on the consulate roof tops, but there are a number of enclosures atop the building that experts believe could house the interceptor.

Because the consulate is perched high on Pacific Heights at Green and Baker streets, the device has unobstructed access to the atmosphere and the microwaves. Then, too, it can pick up more remote signals that have bounced off nearby objects into an antenna's line of sight.

"If transmissions are in its line of sight, the interceptor could pick them up even if they were more than 100 miles away," Senator Daniel Moynihan (Dem-N.Y.) told The Chronicle yesterday. Moynihan is a member of the Senate Intelligence Committee.

The main tower in the Bay Area where phone traffic is sent by microwave is on Bernal Heights in San Francisco. Much of the traffic is relayed through another tower across the Bay on Grizzly Peak behind Berkeley.

Authorities believe these transmissions can be intercepted from the Soviet consulate here. "This radio energy slops out to the sides for two to three miles (putting it in line of sight of the consulate)," said Richard Hartman, editor of Electronic Warfare/Defense Electronics Magazine in Palo Alto.

The technical publication plans soon to publish a report that Soviet spies on the Peninsula are using portable "highly directional microwave dishes" to eavesdrop on microwave traffic that cannot be picked up from the consulate.

"The portable units are a very well known technique for interception," Hartman said. "The units are not more than four feet diameter and can be hidden in vans."

A White House official, however, said "it's more likely and less risky" for the Soviets to use equipment housed at the consulate, where it is protected by diplomatic immunity.

Recordings of the intercepted conversations, according to a knowledgeable Senate staffer, are dispatched by courier to Moscow for computer sorting, or, if there is some urgency, via satellites that can pick up and relay communications from the consulate.

Les Earnest, associate director of the Stanford Artificial Intelligence Laboratory, said computers can key in on as many as several hundred designated words of interest in the recordings of the transmissions.

But under the state of the art, he added, it is a tedious process in which the computer has to be programmed to recognize the speech patterns of various speakers.

The U.S. is believed to have pioneered this microwave interception and computer sorting technique which reportedly has been

But an aide to Senator Moynihan stressed that "what the CIA has been doing does not approach the scale of what the Russians have been doing — I mean the Russian scale is enormous, with hundreds of thousands of calls in the U.S. being intercepted."

Administration officials in recent months have broken away from the traditional secrecy that has surrounded electronic surveillance and are now discussing the matter somewhat publicly. It isn't entirely clear why, although it may be due, in part, to Congressional pressure.

Moynihan introduced legislation last July that would authorize the President to expell from the country any foreign diplomat engaged in electronic eavesdropping. Under the legislation, any American citizen whose right to privacy is threatened by foreign intelligence must be informed by the U.S. government of what is happening.

A White House communications expert said classified government communications are being "protected by our own techniques," and most government calls in Washington, New York and San Francisco are being rerouted from microwave to more secure cable. The rerouting project in San Francisco should be completed by the end of this year, he said.

The official said the administration is also conducting briefings to warn many businesses to avoid discussing sensitive information during microwave phone calls. He said companies like PG&E and the Southern Pacific here are particularly vulnerable because they have their own private microwave networks.

"Since their calls are always routed along the same circuits, they are easier to intercept."

A spokesman for PG&E and a communications employee of the Southern Pacific said the administration has not alerted their firms to the risk.

"This government certainly does not seem to be vigorously challenging the eavesdropping," said a former counsel of the Senate Foreign Relations Committee. "Hell, it may be a quid pro quo for what we're monitoring in Russia. Intelligence agents always feel more comfortable when they know what their opposite numbers are up to."

"You could even say they need